

## § 270.27g-1

made by the certificate holder before the first regular payment upon which there would be a reduction in the rate of the applicable sales charge below 9 percent of the certificate holder's gross payment.

(9) The percentage that the total charges set forth in Item 8 are of the total payments included under Instruction 8 above.

(10) The number of regular monthly payments required to be made before the rate of the sales charges deducted from such regular payment is reduced to less than 9 percent of the certificate holder's gross payment.

(11) The dollar amount of the charges to be deducted from each payment made by the certificate holder after the first regular payment upon which there would be a reduction in the rate of the applicable sales charge below 9 percent of the certificate holder's gross payment. If a portion of the payments is used for the purchase of completion insurance, the amount attributable thereto shall not be included as a charge and the following phrase shall be added: "Apart from insurance premiums based upon the amount of coverage in effect at the time of payment."

(12) The percentage that the amount of the charges set forth in Item 11 are of the amount of the payment included under Instruction 11 above.

(13) The date which is 45 days from the date on which the notice will be mailed.

(14) The number of monthly or quarterly payments provided for under the plan.

(15) The dollar amount of each scheduled periodic payment to be made by the certificate holder.

(16) The period (e.g., month, quarter) for which payments are scheduled to be made under the plan.

(17) The dollar amount of total payments scheduled to be made over the full term of the plan by the certificate holder.

(18) The total dollar amount of all charges scheduled to be deducted over the full term of the plan.

(19) The percentage that the total charges as set forth in Item 18 are of the total payments scheduled to be made by the certificate holder over the full term of the plan.

(20) The name and address of the custodian bank or other person authorized to accept surrendered certificates.

(21) The date which is 45 days from the date on which the notice will be mailed.

(22) The name of a responsible officer of the sender with his title.

(Secs. 27(e), 27(f), 38(a), 54 Stat. 829, 841; 15 U.S.C. 80a-27(e), 80a-27(f), 80a-37(a); sec. 16, Pub. L. 91-547, 84 Stat. 1424-1425; sec. 6(c), 15 U.S.C. 80a-6(c))

[36 FR 24055, Dec. 18, 1971, as amended at 37 FR 9990, May 18, 1972; 45 FR 17958, Mar. 20, 1980]

## 17 CFR Ch. II (4-1-01 Edition)

### § 270.27g-1 Election to be governed by section 27(h).

(a) If any registered investment company which issues or intends to issue a periodic payment plan certificate chooses to be governed by the provisions of section 27(h) (of the Act) rather than the provisions of sections 27 (a) and (d) (of the Act), it shall signify such choice by filing with the Commission as an exhibit to its registration statement filed under the Securities Act of 1933 a written Notice of Election to be so governed.

(b) Any registered investment company issuing periodic payment plan certificates which has elected, in accordance with paragraph (a) of this section, to be governed by the provisions of section 27(h) of the Act may thereafter withdraw such election by filing with the Commission, in the manner specified for filing a Notice of Election, a written Notice of Withdrawal of Election: *Provided, however,* That no such withdrawal of election shall be made within 12 months of an election by such company under paragraph (a) of this section and, provided further that such company may not thereafter elect to be governed by the provisions of section 27(h) (of the Act) until an additional 12-month period has elapsed.

[36 FR 13139, July 15, 1971]

### § 270.27h-1 Exemptions from section 27(h)(4) for certain payments.

(a) For purposes of this section and section 27(h)(4) of the Act (1) "minimum monthly payment, or its equivalent," shall be the amount of the smallest monthly installment scheduled to be made during the life of the plan; and (2) "quarter" shall be the 3-month period which commences on the date a periodic payment plan is issued and each 3-month period thereafter.

(b) The provisions of section 27(h) (4) (of the Act) shall not apply to:

(1) That portion of the first payment on a periodic payment plan certificate which equals the amount of five minimum monthly payments: *Provided, however,* That the deduction for sales load on any other payments received during the first quarter after the